

APRIL 22, 2020

AFFORDABLE HOUSING AGENT

BID RESULTS

ONE BID RECEIVED CGP&H, CRANBEURY, NJ

SEE ATTACHED

COMPENSATION PROPOSAL

CGP&H will provide the Township of Bridgewater with professional services for the purposes described in this proposal. CGP&H will only bill for services performed, and therefore, the actual amount billed may be considerably less than the budgets presented in the tables below depending on the breadth of services requested by Bridgewater.

ADMINISTRATIVE AGENT GENERAL SERVICES paid by Bridgewater	
1. Initial Program Setup (First Year Only)	Not-to-exceed \$500 in year one billed hourly at a rate of \$130 per hour for licensed professional planners and \$85 per hour for all other staff. This fee will not reoccur in subsequent years
2. Day-to-Day Administrative Agent Services	Monthly flat fee of \$1,950 per month for a total of \$23,400 per year
3. Additional Advisory Services as requested by the Township	Billed hourly at a rate of \$130 per hour for licensed professional planners and \$85 per hour for all other staff. Budget will depend on the breadth and scope of the services required by the Township. CGP&H will not bill for any time under this line item without written authorization from the Township.
Total Paid by Bridgewater Township	Not-to-exceed \$23,900 in the first contract year

- 1. Initial Program Setup (First Year Only):** This includes but is not limited to creating an administrative agent operating manual, and creation of or revisions to a municipal Affirmative Marketing Plan, and any other activities related to the transition from the Township's current Affordable Housing Professional to CGP&H.
- 2. Day-to-Day Administrative Agent Services:** This includes creating and/or updating the Administrative Agent Operating Manual, and Affirmative Marketing Plan, if required. This also includes responding to general affordable housing inquiries, affirmative marketing, foreclosure prevention activities, and annual mailings to homeowners as well as preparing intent-to-sell packages and monitoring reports. It also includes advising Bridgewater on affordable housing requirements for new developments.
- 3. Additional Advisory Services as requested by the Township:** These include special projects outside the scope of general administration including, but not limited to group home research to document creditworthiness, or other special projects such as extension of controls or implementing an affordability assistance program. CGP&H will not bill for any time under these services without written authorization from the Township.

RENTAL & OWNERSHIP FEES PAID BY Developer/Landlord/Homeowner		
1. Rental Fees	Flat fee of \$800/rental certification. No charge for applicants found to be ineligible. <i>No charge to prescreen applicants and referring as many applicants to landlord as needed to fill each vacancy</i>	Developer/Landlord pays fee. <i>Township will help facilitate CGP&H going under contract with developers.</i> <i>Township may pay this fee if Developer will not contract with CGP&H.</i>
2. Waiting List Management Fee	\$30 per deed restricted unit annual fee payable upon commencement of affirmative marketing. Minimum fee of \$300 annually.	Developer/Landlord pays fee
3. Lease Renewal Fee	\$30 per lease renewal	Developer/Landlord pays fee
4. Ownership Fee: Resales	3% of the sale price of the home or minimum of \$2,500.	Homeowner pays fee. <i>Township will pay difference between 3% resale fee and minimum of \$2,500 if fee paid by owner is less than \$2,500.</i>
5. Ownership Fee: Refinance Requests	\$175 flat fee to process request	Homeowner pays fee
6. Ownership Fee: New Development	CGP&H will charge a fee of \$2,000 per sale unit. \$1,000 will be billed at the time each home goes under contract and \$1,000 will be billed at closing. In the event that a buyer goes under contract and does not close, the first \$1,000 payment would not be returned.	Developer/Landlord pays fee
7. Setup of New Projects	\$1,000 flat fee per new development	Developer/Landlord pays fee
COST TO TOWNSHIP FOR THESE SERVICES	\$0.00 anticipated cost to township.	

- 1. Rental Fees:** CGP&H will contact the next applicant on the waiting list to prescreen them for eligibility, refer them to the landlord, and invite them to submit a full application. CGP&H will collect and review documentation from the applicant households to determine their eligibility. Eligibility determination fees do not include credit or background checks, which are generally done by the landlord. The Developer/Landlord may pay rental certification fees..
- 2. Waiting List Management Fee:** The waiting list management fee will allow us to maintain the waiting list on our web-based Affordable Homes New Jersey Profile (affordablehomesnewjersey.com). This unique online system provides around-the-clock, user-friendly and robust online tools for applicants, while also increasing our turnaround times. After initial lease-up, all applicants will be required to update their information annually.

3. **Lease Renewal Fee:** CGP&H will advise the Developer of the maximum rental amount before each new lease is executed and we will review all executed leases and maintain copies in our files, as required by UHAC.
4. **Ownership Fee: Resales:** CGP&H will charge the seller a fee as a percent of the sales price to refer interested buyers, coordinate with both the seller and all interested applicants throughout the duration of the sale process, income certify prospective buyers, prepare the closing documents, attend closings whenever required, and perform other duties related to the closing. This fee is paid by the owner directly to CGP&H at closing. In the unusual event where the sale fee comes in less than the minimum of \$2,500, CGP&H will be paid the difference by the municipality.
5. **Ownership Fee: Refinance Requests:** CGP&H charges existing homeowners a fee per request to process requests for subordination or home equity loans. This fee will be paid by the homeowner requesting the review.
6. **Ownership Fee: New Development:** After random selection is completed, CGP&H will process the pre-applications, screen pre-applicants, and refer eligible households to the developer, income certify all buyers, coordinate with mortgage providers, and prepare affordable housing related closing documents for the project.
7. **Setup of New Projects:** CGP&H will charge new developers a flat fee for project set-up activities depending on the size of the project. This includes pricing of units, preparation of deed restriction, affirmative marketing, and all other set-up activities.

Housing Rehabilitation Program Administrative Services

1. Initial Program Setup	Billed hourly at blended rate of \$115 per hour. Not to exceed \$1,500 (initial contract year only).
2. Ongoing Day-to-Day Program Administration	Monthly flat fee of \$800 per month for a total of \$9,600 per year.
3. Direct Costs	Reimbursement for expenses. Not to exceed \$300 per contract year.
Total Paid by Bridgewater Township	Not-to-exceed \$11,400 in the first contract year

- 1. Initial Program Setup:** this includes, but is not limited to, creation of or revisions to Policies and Procedure Manual for administration of the Municipality's Housing Rehabilitation Program, creation of corresponding program forms, and program marketing materials.
- 2. Ongoing Day-to-Day Program Administration:** includes, but is not limited to maintaining a waiting list of interested residents; ongoing owner outreach efforts, reviewing homeowner pre-applications to determine initial eligibility, reporting, contractor outreach, intake of new interested contractor applications, qualifying new contractors, maintaining contractor database and individual records, updates to rehab work specifications templates and compliance research, ongoing updates to program forms as needed and all other Housing Rehabilitation administrative tasks.
- 3. Direct Costs:** this includes, but is not limited to, reimbursement for direct costs for large scale printing jobs; postage; mailings; poster production; expedited mailings or messenger services, etc.

Housing Rehabilitation Program Case Management

1. Milestone 1: Eligibility	Flat fee of \$1,500 payable upon certification of applicant's eligibility. Discounted flat fee of \$850 for each additional unit within a multi-family dwelling.
2. Milestone 2: Loan Closing	Flat fee of \$2,500 payable upon execution of construction documents. Discounted flat fee of \$1,250 for each additional unit within a multi-family dwelling.
3. Milestone 3: Final Inspection	Flat fee of \$1,800 payable upon satisfactory final inspection. Discounted flat fee of \$900 for each additional unit within a multi-family dwelling.
4. Title Search Fee	\$90 per property
5. Subordination Requests	\$175 flat fee to process refinancing requests. This fee is paid by the homeowner.
Total Paid by Bridgewater Township	Estimated not-to-exceed \$70,680 assuming roughly 12 cases are completed in the first twelve month period.

- Milestone 1: Eligibility:** this includes the introductory setup of a case through the processing of applications and determining the applicant's eligibility for the program.
- Milestone 2: Loan Closing:** this includes comprehensive inspection of home to determine code violations, repair needs; developing a detailed cost estimate and work specifications for review and approval by homeowner; preparing bid documents for contractors to bid; review of bids received, preparing contractor contracts and homeowner agreements with the Municipality, and preconstruction meeting/contract signing/loan closing.
- Milestone 3: Final Inspection:** this includes working with contractors and homeowners throughout construction to finalize the rehabilitation work, troubleshooting any difficulties that arise, progress inspections, and case closeout.
- Title Search Fee:** Per property title search fee to confirm ownership and property liens.
- Subordination Requests:** includes the cost of processing of subsequent Program Mortgage Subordination Requests during the affordability control period. The homeowner will be charged a flat fee per request.

Lead Risk Assessment and Testing Services (if requested by Township)	
1. Lead Risk Assessment and Report	Flat fee of \$550 per unit (includes dust wipes and soil sample as needed)
2. Lead Clearance Testing	Flat fee of \$300 per unit.
3. Direct Costs for Lead Clearance Lab Tests	Flat fee of \$15 per dust wipe and soil sample

- 1. Lead Risk Assessment and Report:** Only applicable to houses built prior to 1978.
- 2. Lead Clearance Testing:** Only necessary if lead risk assessment findings have actionable lead level.
- 3. Direct Costs for Lead Clearance Lab Tests:** Per each dust wipe and soil sampling needed for an applicable property lead clearance. Typically, no more than 9 samples per lead clearance. This price includes shipping from the lab.

Charges to be paid by the Housing Rehabilitation Contractor to CGP&H

Circumstance	Contractor Penalty
1. Failed Final Inspection	\$375 per failed inspection paid by the contractor directly to CGP&H. \$250 plus additional dust wipes (\$15 each) for repeat lead clearance if needed.
2. Unjustified Construction Delays	\$50 per day paid by the contractor directly to CGP&H.

- 1. Failed Final Inspection:** If a contractor requests a final inspection, and fails to meet the specifications of the Work Write-Up, the contractor will be charged a flat fee to partially cover the cost of having to conduct a second inspection and preparing the accompanying inspection reports. Charges for each failed final inspection will be issued directly from the contractor to CGP&H, as specified in the construction agreement. CGP&H will notify the Municipality if this penalty is ever levied against a contractor.
- 2. Unjustified Construction Delays:** If the contractor delays construction without appropriate justification which requires CGP&H's additional follow-up with contractor, a weekly penalty will be charged to the contractor during the delay period. This will be specified in the construction agreement as a weekly penalty to the contractor paid directly to CGP&H if the penalty is imposed. CGP&H will notify the Municipality if this penalty is ever levied against a contractor.

The following fees may apply to the Municipality only if the need arises:

Additional Housing Rehabilitation Services, as Needed	Fee
Services related to any cases that are terminated due to circumstances outside the control of CGP&H, including determination of either participant or property ineligibility, voluntary withdrawal by the program participant, or a participant failure to follow other program rules, including violations of local ordinances, falsification of eligibility documents, etc.	Hourly per case up to milestone cap.
For services related to the program inspector's discovery during the initial property inspection of non-compliant occupancy or recently completed or ongoing home improvements without required municipal permits, the CGP&H will bill hourly for all work required to get the program participant to rectify the situation and become municipally compliant before the case can continue in the program with the standard case processing procedures. *Municipality has the option to pass on this additional cost to the owner.	Hourly, up to 3 hours per case for compliance items*
If the program participant delays the preconstruction process for any reason, including rectifying non-compliance discovery (see above section), which then makes the state mandated certificate of eligibility period expire prior to the signing of the construction agreement, CGP&H will be required to reverify household income. Re-verification of income will be billed hourly. *Municipality has the option to pass on this additional cost to the owner.	Hourly, up to 5 hours per re-verification of income*
On occasion, there are secondary or supplemental funding sources available to assist a unit get fully up to code in cases where the program's funding limits and the program participant's ability to provide their own funding is insufficient. To avoid abandoning the case since it cannot be brought up to code with available funding, we can partner with other funding sources in some cases to make the project work. CGP&H will bill hourly up to the limit per case (see right) for initial research to determine if partnering source is an option for the particular case, and if so, then coordination of same with secondary funding source. If more time beyond the limit per case is needed to finalize the partnering of funds to bring the unit up to code to obtain State credit for that unit, CGP&H will not continue without additional direct written authorization from the Municipality.	Hourly, up to 3 hours per case for initial research and coordination of partnering funds
While extremely rare, if during or after the completion of a housing rehabilitation case there are contract disputes, warranty claims or other kinds of disputes causing the Municipality to request mediation or intervention by CGP&H, this work will only proceed upon written authorization from the municipality and will be conducted at our regular hourly rates. When a program participant or contractor contacts CGP&H directly, CGP&H can bill additional hours to attempt to resolve it expediently, prior to seeking written authorization from the municipality.	Hourly, up to 3 hours per case for warranty claims or up to 6 hours per case for contract disputes.
While rare, cases that require more than one bid opening (due to non-receipt of a qualified bid, contractor replacement or specialty contractor need on portion of rehab work) and/or more than one loan closing and related documents preparation; CGP&H will bill hourly per each re-bid process which includes re-sending updated bid notice and bid packages, additional bid opening, and review of bids received and/or each additional set of loan closing documents and/or additional loan closing	Hourly, up to 4 hours per case for re-bid process and up to 4 hours per case for each additional needed loan closing and/or additional loan closing documents.

Exclusions:

The following services are specifically excluded from the scope of services to be provided under this agreement:

1. All engineering and architectural services related to the rehabilitation of residential structures, and the coordination thereof. In the rare cases where such funding is needed, the homeowner is responsible for those costs.
2. All legal services as may be required to administer the program or resolve a dispute between a program participant and a contractor.
3. Direct costs such as advertising, reproduction, and expedited mail or messenger services more than amount identified above in this proposal.
4. Relocation assistance, in the extremely rare event that a household must be relocated during the construction phase.
5. CGP&H is not responsible for serving as the property manager of any rental units.
6. Lead based paint testing services unless requested by Township.

